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2019 GENERAL SESSION STATE OF UTAH Chief Sponsor: Daniel Hemmert House Sponsor: V. Lowry Snow LONG TITLE General Description: This bill amends provisions of the Legislative Oversight and Sunset Act and requires a report. Highlighted Provisions: This bill: • requires an electrical corporation that has established an energy balancing account to report to the Public Utilities, Energy, and Technology Interim Committee; • repeals the sunset date for an electrical corporation's energy balancing account, allowing a corporation to permanently recover 100% of its prudently incurred net power costs; and • makes technical changes. Money Appropriated in this Bill: None Other Special Clauses: None Utah Code Sections Affected: AMENDS: 54-7-13.5, as last amended by Laws of Utah 2016, Chapter 393 631-1-254, as last amended by Laws of Utah 2018, Chapter 426	ENERGY BALANCING ACCOUNT AMENDMENTS
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63I-1-254, as last amended by Laws of Utah 2018, Chapter 426	54-7-13.5, as last amended by Laws of Utah 2016, Chapter 393
	63I-1-254, as last amended by Laws of Utah 2018, Chapter 426

Be it enacted by the Legislature of the state of Utah:

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29	Section 1. Section 54-7-13.5 is amended to read:
30	54-7-13.5. Energy balancing accounts.
31	(1) As used in this section:
32	(a) "Base rates" means the same as that term is defined in Subsection 54-7-12(1).
33	(b) "Energy balancing account" means an electrical corporation account for some or al
34	components of the electrical corporation's incurred actual power costs, including:
35	(i) (A) fuel;
36	(B) purchased power; and
37	(C) wheeling expenses; and
38	(ii) the sum of the power costs described in Subsection (1)(b)(i) less wholesale
39	revenues.
40	(c) "Gas balancing account" means a gas corporation account to recover on a
41	dollar-for-dollar basis, purchased gas costs, and gas cost-related expenses.
42	(2) (a) The commission may authorize an electrical corporation to establish an energy
43	balancing account.
44	(b) An energy balancing account shall become effective upon a commission finding
45	that the energy balancing account is:
46	(i) in the public interest;
47	(ii) for prudently-incurred costs; and
48	(iii) implemented at the conclusion of a general rate case.
49	(c) An electrical corporation:
50	(i) may, with approval from the commission, recover costs under this section through:
51	(A) base rates;
52	(B) contract rates;
53	(C) surcredits; or
54	(D) surcharges; and
55	(ii) shall file a reconciliation of the energy balancing account with the commission at

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56	least annually with actual costs and revenues incurred by the electrical corporation.
57	(d) Beginning June 1, 2016, for an electrical corporation with an energy balancing
58	account established before January 1, 2016, the commission shall allow an electrical
59	corporation to recover 100% of the electrical corporation's prudently incurred costs as
60	determined and approved by the commission under this section.
61	(e) An energy balancing account may not alter:
62	(i) the standard for cost recovery; or
63	(ii) the electrical corporation's burden of proof.
64	(f) The collection method described in Subsection (2)(c)(i) shall:
65	(i) apply to the appropriate billing components in base rates; and
66	(ii) be incorporated into base rates in an appropriate commission proceeding.
67	(g) The collection of costs related to an energy balancing account from customers
68	paying contract rates shall be governed by the terms of the contract.
69	(h) Revenues collected in excess of prudently incurred actual costs shall:
70	(i) be refunded as a bill surcredit to an electrical corporation's customers over a period
71	specified by the commission; and
72	(ii) include a carrying charge.
73	(i) Prudently incurred actual costs in excess of revenues collected shall:
74	(i) be recovered as a bill surcharge over a period to be specified by the commission;
75	and
76	(ii) include a carrying charge.
77	(j) The carrying charge applied to the balance in an energy balancing account shall be:
78	(i) determined by the commission; and
79	(ii) symmetrical for over or under collections.
80	(3) (a) The commission may:
81	(i) establish a gas balancing account for a gas corporation; and
82.	(ii) set forth procedures for a gas corporation's gas balancing account in the gas

83	corporation's commission-approved tariff.
84	(b) A gas balancing account may not alter:
85	(i) the standard of cost recovery; or
86	(ii) the gas corporation's burden of proof.
87	(4) (a) All allowed costs and revenues associated with an energy balancing account or
88	gas balancing account shall remain in the respective balancing account until charged or
89	refunded to customers.
90	(b) The balance of an energy balancing account or gas balancing account may not be:
91	(i) transferred by the electrical corporation or gas corporation; or
92	(ii) used by the commission to impute earnings or losses to the electrical corporation or
93	gas corporation.
94	(c) An energy balancing account or gas balancing account that is formed and
95	maintained in accordance with this section does not constitute impermissible retroactive
96	ratemaking or single-issue ratemaking.
97	(5) This section does not create a presumption for or against approval of an energy
98	balancing account.
99	[(6) The commission shall report to the Public Utilities and Technology Interim
100	Committee before December 1 in 2017 and 2018 regarding whether allowing an electrical
101	corporation to continue to recover costs under Subsection (2)(d) is reasonable and in the public
102	interest.]
103	(6) (a) An electrical corporation that has established an energy balancing account under
104	this section shall report to the Public Utilities, Energy, and Technology Interim Committee
105	before December 1 of each even numbered year, beginning in 2020.
106	(b) The report required in Subsection (6)(a) shall provide information regarding:
107	(i) the continued 100% recovery of the electrical corporation's prudently incurred costs
108	related to the energy balancing account; and
109	(ii) any determination by the Public Service Commission of costs not prudently

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110	incurred.
111	Section 2. Section 63I-1-254 is amended to read:
112	63I-1-254. Repeal dates, Title 54.
113	[(1) The language of Subsection 54-4-13.4(1)(a)(ii) after "do not exceed \$5,000,000 in
114	any calendar year" is repealed July 1, 2018.]
115	[(2) Subsection 54-7-13.5(2)(d) is repealed on December 31, 2019.]
116	[(3)] Title 54, Chapter 15, Net Metering of Electricity, is repealed January 1, 2036.